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Federal Communications Commission
Office of Secretary

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October 7, 1996

William F. Caton, Acting Secretary
Federal Communications Commission
Washington, DC 20554

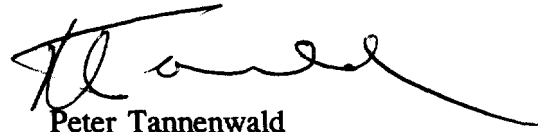
Re: Report of *Ex Parte* Communication
MM Docket No. 87-268
CS Docket No. 96-60

Dear Mr. Caton:

Pursuant to Section 1.1206(a)(2) of the Commission's Rules, submitted herewith is an original and one copy of a letter hand-delivered today to Catherine J. K. Sandoval, Director of the Office of Communications Business Opportunities.

This letter addresses matters under consideration in the above-referenced two rule making proceedings and is thus submitted for inclusion in the *ex parte* files for those proceedings.

Very truly yours,



Peter Tannenwald

Attachment

cc: (w/o att) Ms. Catherine J. K. Sandoval
Mr. Sherwin Grossman
Members of the Board of Directors,
Community Broadcasters Assn.
Mr. Michael Sullivan, Executive Director, CBA

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October 2, 1996

Catherine J.K. Sandoval, Director
Federal Communications Commission
Office of Communications Business
1919 M Street, N.W. Room 644
Washington, D.C. 20554

Dear Cathy:

I wish to thank you for inviting me to appear before the Small Business Inquiry Panel. I had a very difficult time holding my tongue as to some of the things that I wanted to say but I did not think should have been brought up publicly.

If you don't know now, you should, that LPTV is the largest segment of **true** small business, that the Commission regulates. For the past few years, we have had issues before the Commission, which are barriers to small businesses that we think are violations of Section 257 of the Telecommunications Act of 1996, and we think will end up being even worse violations of the Small Business Regulatory Enforcement Fairness Act of 1996, when the courts get around to interpreting it. We think that your office needs to play a significantly more pro-active role in advocating the needs of our industry before the Commissioners, so that we do not end up being destroyed.

While I have listened to your staff make a presentation on minority businesses, I have heard no mention or even a suggestion of knowledge that the Commission has proposed to destroy over 100 minority stations. LPTV has over 200 minority stations in our roster. Most are in large urban and suburban areas and by law do not have "must carry" rights on cable systems. Further, for all practical purposes there is no cable leased access in the U.S. Many small businesses have gone broke because the Commission has not enforced the leased access law realistically, and those of us left are struggling to stay alive. We have not heard anything from your office on this subject during the two years that we have been fighting to get the Commission to straighten out these cable rules.

CBA COMMUNITY
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The Cable Bureau finally proposed a leased access new rule, after being put under the gun by the filing of a court action for a Writ of Mandamus. The Court denied the writ because the FCC's attorneys promised immediate action. But the new proposed rule in CS Docket 96-60 has gone on the back burner because of political pressure applied by the large cable companies in the Chairman's office. The result is obstruction of the law and not doing what the Commission's attorney's promised the Courts. A lot of the small business people whose needs you are supposed to advocate are being hurt.

Small business needs your help! Under the Sixth Further NPRM on digital television, literally hundreds of LPTV stations, all individually owned, will be wiped out. My station alone, which is losing its frequency under the proposed allotment table, represents to its investors a loss of about five million dollars, and more importantly, the livelihood of 80 families. The Commission's reaction has been "you figure it out!". Where are we supposed to get the resources to match the NAB and MSTV? Small business **needs your help**.

We are now raising funds to attempt to do the software work needed to save the **LPTV** industry under the new allocation standards. Money is tight, we are small, the Commission says they have no moneys for this work. In the 1996 Telecommunication Act of 1996, the Telecommunication Endowment Fund was created, using the money earned from spectrum auctions. Those earnings could have funded the allotment work to save small business LPTV stations, but the Endowment Fund has just now been started, and no LPTV industry member was appointed to the board, even though I asked to be appointed.

I think your office needs to take a hard look at what it is doing regarding real small business in telecommunications, not just new start-ups that attract huge foreign investment to make the Commission look good to the Treasury Department. We ask for your active support and advocacy in getting cable leased



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access to the front burner, as well as your support in DTV to help save the LPTV industry.

Very truly yours,

A handwritten signature in black ink that reads "Sherwin Grossman". The signature is written in a cursive, flowing style.

Sherwin Grossman
President

cc: Secretary, FCC, Washington, D.C. 20554
for inclusion in *ex parte* files for MM Docket 87-268
and CS Docket 96-60